

REVIEW OF LITERATURE

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Abstract

This study is based on evaluating different factors that affect a country as a brand. As the brand should have proper positioning and differentiation strategies, a country should also stand for something different, unique, and should have a proper positioning. A country's identity and brand image has a strong impact on its economy. Through literature review the major factors were identified that affect the brand image of a country, and its impact on the economy, as a result of consumer purchase intention towards its products and brands. The most important factor identified through literature were tourism, country exports, country policies, and the people of the country themselves. The study also recommends what a country governments and decision makers should do to make a country differentiated through its tourism, country policies, and through its communication strategies. As the differentiation strategies should also be aligned with the country core competencies, the recommendations are also based on country core competencies. The impact of these major factors are evaluated on the country exports, its tourism, its image, as on its economy.

Keywords: Brand, Country, Economy Country Brand, Purchase Intention

JEL Classification: M 300

Introduction

When New Zealand realized the importance of repositioning, to have a positive impact on its economy through tourism, sponsoring international mega events, attracting international students, and to boost its exports through country of origin effect, the government seriously took important initiatives. With successful branding strategies, in November 2010, New Zealand was ranked as the third-strongest country brand in the world, ahead of the United States by brand consultancy Future Brand's Country Brand Index.

The successful endeavors of New Zealand to position as a friendly country that has breathtaking beautiful sceneries, beaches, lakes and mountains were the outcomes of concentrated marketing and branding efforts called "The New Zealand Way". The major benefits New Zealand want to achieve through this branding effort is to make New Zealand more relevant, and competitive in the global market where the countries compete for their share of market of tourism, sponsoring mega international events and attracting international students.

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Today, the world is one market. The rapid advance of globalization means that every country, every city and every region must compete with every other for its share of the world's consumers, tourists, investors, students, entrepreneurs, international sporting and cultural events, and for the attention and respect of the international media, of other governments, and the people of other countries. As products and services a country should also have a strong, and relevant standing, positioning or identity. This positioning of the country may have a strong correlation with purchase intention of consumers.

Different countries, cities, and regions have different images. Paris is about style, Japan about technology, Switzerland about wealth and precision, Rio de Janeiro about carnival and football, Tuscany about the good life, and most African nations about poverty, corruption, war, famine and disease. These clichés and stereotypes effect imagination of consumer towards the countries, and its products and services. It is very essential that a country should have a unique positioning. The important question and challenge is that how this image is created and how this positioning is achieved? Another challenge is how to transfer the country image in its products and services?

Efficient and strategic branding of a country therefore enhance the image of a country, improve the economic situation, enhance the standard of living, create an image as a safe place for investment, and have high chances of attracting mega events (Lee, 2009). Kotler (2002) concluded that the country image or country branding has become so important that it has become serious concern for any country. The countries should understand that for the national development the country should follow strategic branding rules to stand unique and positively relevant.

Literature Review

Anholt (2007) concluded that country image is dependent on many factors, however when they are grouped, there are six main factors on which the country image or reputation is strongly dependent upon. These includes: the first hand experience of people visiting the country through tourism, peoples' experience of country brands through their exports, the experience of the companies investing in the country, policy decision of the countries, cultural exchange programs, and the people of the country themselves.

All these factors are dependent on creating favorable country of origin that plays important role in the acceptability of the country's product and therefore plays a vital role directly in the economic development of any country (Bilkey, 1982; Cöster, 2015; Pisharodi, 2015). Create good image of the country through branding exercises and practices to make the country of origin effective and meaningful is therefore became the vital task for any government (Ruzzier, 2013; Dinnie, 2015). As in the case of branding a product a country should also stand for something and this unique positioning of the country should be reflected through its products. This is therefore also a very important consideration that the standing of the country should be positive and relevant.

Tourism

As one of the major factor recommended by Anholt, tourism plays an important role in the formation of good or bad image of a country. It is important to understand that however tourism is the important source of revenue for any country but it also plays an important role beyond that. The image of the country in the mind of the tourists is the first hand experience which is communicated and discussed in the other countries (Kotler, 2002). It is also an important consideration for a country to decide and understand what tourists it attracts? As mentioned before the income from the tourism for any country is a major source of revenue and for some countries it is a major contributor of their economy, however like many other marketing practices, the countries should segment the countries for tourists and should also focus on attracting those tourists of those countries where the major exports of the country goes. Hakala (2013), concluded that in order to succeed in tourism countries should understand what types of tourist they should attract and more importantly, what type of tourists they can serve and satisfy better. Therefore there is a need of proper segmentation and targeting.

Sometimes it also happen that the country identity attract tourists, and the countries should meet their expectation, at the same time not losing focus of their identity or positioning. To strengthen its identity thorough tourism, countries should understand, the unique feature it may have to attract tourist. Sharpley (2013), argued that the tourism should be aligned with the country's image. Commenting on the fame of Romania, the author recommends that the Dracula attachment with the image of the Romania should be lost in tourism, the way the tourism is promoted.

Kotler (2002), concluded that just like tangible goods and intangible services, countries should also properly segment its market for tourism. Different types of tourists needs different types of facilities and are motivated by different types of services. The study also argued that if the tourists are not satisfied and if their experience falls short of their expectations, the tourists will spread bad mouth about the country that ultimately will affect the brand image of the country.

One should also understands that in this current era, sharing of experiences are many, consumers and tourists have a lot of channels in their control through which they can share their experiences. There are also some dedicated websites specifically for the tourist's information where the tourists share their experiences and recommend the countries for tourism.

Country exports

The image or positioning of the country is also significantly affected by the experiences of the people in other countries through their exported products (D'Alessandro, 2013). Therefore it is the job of the governments to keep a close check on the products exported from their countries as one of the bad product may affect the sales and profits of the other good products from the same country (Dinnie, 2015; Cagé, 2015).

Country exports project the image, positioning, and identity of the country through numerous ways. When a consumer see a technologically advanced product from a specific country, the image of the same country became relevant to as an advanced country that is seriously investing in the

technology related research and development. The image of Finland as technologically advanced country was dependent on the technologically advanced product Nokia. Finland was considered as the most innovative country of Europe, but the collapse of Nokia, the country identity is also affected and is no more associated with the image of the most innovative destination for the technological products (Nguyen, 2015).

Country Policies

The most important factor that effect the country image is the country's policies and causes that it supports (Alvarez, 2014). The consumer trust in brands from certain countries is dependent on the policies of the same country. Jiménez (2014), found that consumers trust the brands from certain country is dependent on support of certain causes and the following of different policies. If consumers believe that policies of a certain country is based on honesty, and revolve around betterment of the society, it is more likely that the consumers will believe in the products of the same country.

Gilmore (2002) argued that a country policies affect its institutions, its commitment, and its pride. If the country is trapped in activities that she should avoid or that are not liked by the majority of the other countries, the country will lose its potential, as a friendly country. This may affect its produce in the other countries and ultimately will affect its economy.

Sponsoring events

Sponsoring events have a strong impact on the country image. The event could be a sporting event, a massive trade show, a shopping festival, or sponsoring health seminars. Sponsoring mega events shows and project the image of the host country as a safe country and conducive for the business and investments (Nadeau, 2008). Sponsoring such type of mega events become a common stories and discussion in media and talk shows and have a dual positive impact on the economy of any country. At the first instance it is having a direct impact through tourism, and secondly the produce of the country secure favorable rating in other countries through media coverage (Roth, 2008).

Sponsoring mega events are now included in the country's international strategies. Countries with a visionary leadership understands the importance and high value of word of mouth associated with sponsoring of mega events. It is true that the cost of sponsoring such mega events are very high, however the benefit associated with are far bigger than that. Therefore the sponsoring of FIFA football world cup of 2022 by Qatar made the small Middle Eastern country a focus of discussion around the globe (Brannagan, 2015). A small country that was not known to many immediately became associated with peace and security (Brannagan, 2014).

With the perks associated with sponsoring events that could make a country, city, or region a brand there are also numerous requirements that could sometimes be very difficult to achieve. For instance in one study it was pointed that Dubai is going to attract more visitors that could be very positive for its economy however the government is under severe pressure to manage parking lots in a small city of Gulf (Bajpai, 2015).

Education/ Curriculum and country identity

Education plays an important role in establishing the image of the country for future generations and building future visitors, residents, investors, advocates and supporters. Not only text books but the websites and media also plays its role in creating the country identity. It is however important to consider that the impact of country identity is more strong in the curriculum of young children.

School children developed images of the regions and countries through the curriculum that are included in their text books. School children may developed a positive or negative image of a country based on the approach of the teachings and textbooks, such image of a region or a country are very strong and quite possible to last forever (Dinnie, 2015; Mangan, 2012). Therefore children around the world have a positive feeling about the countries where Disney land or Legoland is found. Media and newspaper may criticize the policies and aggressiveness of some countries, however the effect of such negativity is offset usually by the positive images already established in the mind.

Marketing the country policies for unique and appropriate positioning

It is therefore very essential to find what policies the government of a country should praise and support that are considered very important for the consumers in other countries of the world. How to promote the same and how these policies should be reflected from its products and services is another challenge for the governments of the country. Different countries may praise different type of policies, and different types of activities. For instance the developed countries favored the countries that support the clean industries, and the governments that support the cause of anti-pollution drives through aggressive taxation and penalties on the polluting industries (Hynes, 2014; Gerke, 2014). If these factors are properly marketed it is more likely that the products that are made in the same country will be preferred (Brodie, 2014).

Country identity and its economy

Country identity through factors like tourism, sponsoring mega international events like Olympics, FIFA World cup, Expo, and holding international seminars has a favorable impact on its economy directly and indirectly. Directly through the people literally visiting the host country, consuming the goods and services produced in that particular country, and indirectly through the attention of the media that can cover the stories of events. Collectively the produce of the host countries has favorable impact on its sales in the international markets and on its economy overall (Castells, 2011).

Country brand and Country of Origin Effect

Roth (2008) concluded that steps towards proper branding the country adds value to its image that affect its products and services in the rest of the world. The study found that the value added through the whole process of branding, adds value to its exports and consumers perceives its exports better. Just like the brand equity of the corporation that affect its brands, the brand equity of a country is also enhanced through proper positioning, and branding strategies of a country, and affects

its products and services abroad.

Brand is something that stands for something that is unique and has some association. It is something we are proud to own, it is reliable or non-reliable, trusted or mistrusted. The image of the products and services have to do with what people think of the country where they are produced, its managing, its people and many researchers do believe that these concepts in particular do influence our perception and our image of the product and services and in the end influence our decision whether to buy or not to buy products coming from any particular country.

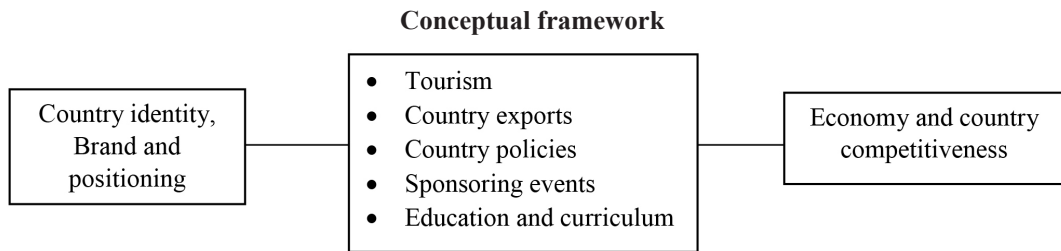


Figure 1

As discussed and found in the literature the country identity, brand, and its positioning is closely linked with the tourism, country exports, policies of the country, sponsoring mega important international events, and education and curriculum. All these factors has positive effect on the economy of the country directly and indirectly and enhance the competitiveness of the country.

Limitations of the conceptual Framework

However the country image is dependent on tourism, country exports, country policies, sponsoring events, and education and curriculum, and is proved through literature it is important to understand that there may be other moderating factors affecting the brand image and positioning of the country.

Besides this it is also important to cite that the brand image of the country to be achieved in true spirit is possible only when all the relevant limbs of the government department work in a perfect harmony. The ministry of tourism can only achieve its objective if it is supported by the interior ministry and bureaucracy.

Even if all the government sections of the country works in perfect integration there are many factors that are beyond the control of the government that are largely responsible for the country branding and positioning including the formation of new trade blocs, international events, war and peace, and foreign policies of the other nations.

Conclusion

The study concluded that the country image and positioning is dependent is a very crucial factor that directly affect its economy. Among many factors the most critical factor a country should consider to have as a strong and favorable brand image are tourism, country exports, country policies, sponsoring events, and education and curriculum.

Besides these however there are numerous other factors that may affect the brand image and positioning of the country that may be controllable or non-controllable factors for any decision makers. The challenge in creating the brand image is to manage its controllable factors according to non-controllable factors and to understand that creating a country brand takes time, need a lot of resources and government will, and most importantly all the departments should work in integration to achieve the goal of creating a favorable brand image of a country.

Limitation of the study

A number of limitations can be observed in this study. Firstly this study is based on the critical review of literature where the analysis and conclusions were drawn from the literature and empirical studies. Secondly the approaches to create a favorable image of the country may vary from region to region and there could be numerous other factors that may affect the country brand or image besides tourism, country exports, country policies, sponsoring events, and education and curriculum.

Future Direction

This study is qualitative in nature; however this set the direction for the study of the same nature that may be quantitative where the importance of different factors can be quantified. Also the study may be the ground to find the gap between the factors affecting the brand image and the positioning of the country.

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